
For Immediate Release

www.wa.gov/esd

Date: July 17, 2003

Media Contacts: Elena Perez, 360-902-9686
Michael Wilson, 360-902-9317
Kristin Alexander, 360-902-9307

New Law Brings Unemployment Benefit and Tax Changes

OLYMPIA – New legislation results in several changes to Washington’s unemployment insurance program starting this month including a temporary increase in benefits for new claimants, the Washington State Employment Security Department announced.

Second Engrossed Senate Bill 6097, which overhauls the state’s unemployment system, passed the legislature and was signed by the governor on June 20. Changes that immediately affect claimants and employers include:

New calculation rates for benefits

The bill repeals earlier legislation that capped the maximum weekly benefit amount and it establishes a new calculation rate for benefits effective January 2004. As a result, the maximum weekly unemployment benefit payment increases from \$496 to \$510 for new claims filed between July 6 to Jan. 3, then returns to \$496 thereafter.

However, unemployed workers who began receiving benefits before July 6 will not receive larger payments; they will continue to be paid up to a maximum of \$496 per week.

The temporary increase in the maximum benefit amount for new claims is tied to a rise in the state’s average annual wage, which is used to compute weekly unemployment insurance benefits.

New calculation rates established for 2004 and 2005 are expected to result in lower payments for many workers, especially those in seasonal employment.

New employer benefit charges

Benefits paid to claimants with particularly irregular earnings will now be included in employer tax calculations. These workers, known as “marginally attached to the labor force,” include some seasonal workers and those starting a first job. For businesses with a high turnover of such employees, this could result in higher quarterly taxes.

(More)

Certain alien workers no longer eligible for unemployment

Employers are no longer required to report wages or pay unemployment taxes for certain temporary workers from other countries. The exemption applies to about 900 workers with specialized skills, including shepherders, ballet dancers, hockey players, and mechanics who maintain equipment for planting tulips. These employees possess certain work visas (categories H-2A and H-2B) that allow them to reside in Washington for one year in housing provided by their employers. Under the new law, they will not be eligible for unemployment benefits in Washington.

New penalties for delinquent tax reports

Employers who fail to file timely and complete unemployment insurance tax reports can be charged a penalty of up to \$250. The bill also establishes a substantial penalty for employers who knowingly submit inaccurate wage information. The department plans to launch a new public awareness campaign to educate employers about requirements for filing unemployment taxes.

Other substantial changes to the unemployment program required by the new legislation will be implemented next year. Information about these changes will be shared in future news releases.

For more information about changes to the unemployment program, visit

<http://www.wa.gov/esd/ui.htm>

#####